

## MIGO OPPORTUNITIES TRUST PLC

(the "Company")

### Audit Committee - Terms of Reference and Responsibilities

#### 1. Definitions

- 1.1 Reference to the "**Committee**" shall mean the Audit Committee.
- 1.2 Reference to the "**Board**" shall mean the board of directors of the Company.
- 1.3 Reference to the "**Manager**" shall mean Premier Portfolio Managers Limited.
- 1.4 Reference to the "**Secretary**" or "**Administrator**" shall mean Frostrow Capital LLP or such other company as may from time to time be appointed as administrator and secretary to the Company.

#### 2. Membership and Attendance

- 2.1 The Audit Committee shall be appointed by the Board and shall comprise of a Chairman and all independent non-executive Directors of the Company.
- 2.2 All members of the Committee shall be independent non-executive directors of the Board. At least one member of the Committee should have significant, recent and relevant financial experience and competence in accounting or auditing. The Company chairman may be a member of, but not chair, the Committee provided (s)he was independent on appointment as chairman.
- 2.3 Care should be taken to minimise the risk of any conflict of interest that might be seen to give rise to an unacceptable influence.
- 2.4 The Board shall appoint the Committee Chairman who shall be an independent non-executive director of the Board. In the absence of the Audit Committee Chairman and/or an appointed deputy, the remaining members present shall elect one of their number present to chair the meeting.
- 2.5 The Committee may ask senior representatives of the Manager and Administrator to attend meetings, either regularly or by invitation, but invitees shall have no right of attendance.
- 2.6 The Committee shall, where appropriate, invite a representative of the external auditor and the head of the Manager's internal audit function and/or compliance officer to attend meetings. The Audit Committee should have at least one meeting, or part thereof, with the external auditor without management being present should the Committee deem that to be necessary.
- 2.7 Other non-members of the Committee may be invited to attend all or part of any meeting as and when appropriate and necessary.

#### 3. Company Secretary

- 3.1 The Company Secretary or their nominee shall act as the Secretary of the Committee.
- 3.2 The Committee shall have access to the services of the Secretary on all audit committee matters including: assisting the Chairman in planning the Committee's work, drawing up meeting agendas, maintenance of minutes, drafting of material about its activities for the annual report, collection and distribution of information.

#### **4. Quorum**

- 4.1 The quorum necessary for the transaction of business shall be two. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

#### **5. Frequency of Meetings**

- 5.1 The Committee shall meet no less than twice a year and at such other times as the Chairman of the Committee shall require, in order to discharge its responsibilities to the Board.
- 5.2 Meetings will be arranged to coincide with the publication of the Company's financial statements.
- 5.3 Meetings can be requested by the external auditors or by the Managers' internal auditors if they consider that to be necessary.
- 5.4 Outside of the formal meeting programme, the Committee Chairman will maintain dialogue with key individuals involved in the Company's governance, including the Board chairman and the external audit lead partner.

#### **6. Notice of Meetings**

- 6.1 Meetings of the Committee shall be convened by the Secretary of the Committee at the request of any member.
- 6.2 Unless otherwise agreed, notice of each meeting confirming the venue, time and date, together with an agenda of items to be discussed, shall be forwarded to each member of the Committee, any other person required to attend and all other members of the Board, no fewer than five working days prior to the date of the meeting. Supporting papers shall be sent to Committee members and to other attendees as appropriate, at the same time.

#### **7. Minutes of Meetings**

- 7.1 The Secretary shall minute the proceedings and resolutions of all meetings of the Committee, including recording the names of those present and in attendance.
- 7.2 The Secretary shall ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly.
- 7.3 Minutes of Committee meetings shall be circulated promptly to all members of the Committee. Once approved, minutes should be circulated to all members of the Board unless it would be inappropriate to do so in the opinion of the Committee Chairman.

#### **8. Annual General Meeting**

- 8.1 The Chairman of the Committee shall attend the Annual General Meeting to respond to any shareholder questions on the Committee's activities.

## **9. Duties**

### Internal Controls and Risk Management Systems

- 9.1 The Committee shall:
- 9.1.1 monitor adherence to best practice in corporate governance;
  - 9.1.2 keep under review the adequacy and effectiveness of the Company's internal control and risk management systems, including the Company's risk map and the control reporting for the Company's key third party providers;
  - 9.1.3 monitor and review the effectiveness of the Manager's and Secretary's internal audit, compliance and business risk function in the context of the Company's overall risk management system;
  - 9.1.4 review and approve the statements to be included in any financial reporting concerning the effectiveness of internal controls and risk management, and the policies and process for identifying and assessing business risks and the management of those risks by the Company.

### Whistleblowing, Fraud and Anti-Bribery

- 9.2 The Committee will review the whistleblowing procedures of the Manager and shall review service providers' procedures for detecting fraud and their anti-bribery policies.

### Anti-Money Laundering

- 9.3 The Committee, together with the Secretary, will review the Anti-Money Laundering (AML) checks and procedures that are outsourced to the Brokers.
- 9.4 The Committee will consider annually,
- 9.4.1 the Secretary's review of the Brokers' agreements to ensure that there is adequate disclosure concerning their obligation to undertake AML checks on each issuance of the Company's shares, and
  - 9.4.2 the confirmation from the Brokers that they are not in breach of any AML obligations.

### Internal Audit

- 9.5 The Manager's Head of Compliance and Operational Risk shall have the right of direct access to the Chairman of the Committee.
- 9.6 The Committee shall consider and report to the Board annually as to whether it is their recommendation that an Internal Audit function should be formed and where applicable ensure that the reasons for the absence of such a function are explained in the Annual Report.

### External Audit

- 9.7 The Committee shall consider and make recommendations to the Board as regards the appointment, re-appointment, remuneration of and the provision of non-audit services by the Company's external auditors, and shall seek to ensure that key partners within the appointed firm are rotated from time to time.
- 9.8 The Committee shall oversee the selection process for new auditors and, if an auditor resigns, the Committee shall investigate the issues leading to this and decide whether any action is required.
- 9.9 The Committee will review and approve the terms of the external auditor's engagement, including any engagement letter issued at the start of each audit and the scope of the audit.

- 9.10 The Committee will mediate in relation to any disagreements between the Manager and the external auditors.
- 9.11 The Committee shall meet with the external auditors at least once a year, post-audit at the reporting stage, without management being present, to review any matters arising in the course of the audit with respect to accounting or internal control systems, and to ensure that the auditor's management letters and the Manager's responses are reviewed.
- 9.12 The Committee shall keep under review the relationship with the external auditors including (but not limited to):
- 9.12.1 assessing annually their independence and objectivity taking into account relevant professional and regulatory requirements and the relationship with the auditor as a whole, including the provision of any non-audit services;
  - 9.12.2 assessing annually the qualifications, expertise and resources of the auditor and the effectiveness of the audit process;
  - 9.12.3 the consideration of audit fees to be paid as well as any other fees payable to auditors in respect of non-audit activities; and
  - 9.12.4 discussions with the external auditors concerning such issues as compliance with accounting standards and any proposals which the external auditors have made, e.g. in respect of the Manager's internal auditing standards.
- 9.13 The Committee shall review and approve the annual audit plan and ensure that it is consistent with the scope of the audit engagement.
- 9.14 The Committee shall review the findings of the audit with the external auditor. This shall include but not be limited to, the following:
- a discussion of any major issues which arose during the audit;
  - any accounting and audit judgements;
  - levels of errors identified during the audit; and
  - the effectiveness of the audit process
- 9.15 The Committee shall also:
- 9.15.1 review any representation letter(s) requested by the external auditor before they are signed;
  - 9.15.2 review the management letter and management's response to the auditor's findings and recommendations; and
  - 9.15.3 develop and implement a policy on the supply of non-audit services by the external auditor, taking into account any relevant ethical guidance on the matter.

#### Financial Reporting

- 9.16 The Committee shall monitor the integrity of the financial statements of the Company, including the annual and half-yearly reports and any other formal announcement relating to the Company's financial performance, reviewing significant financial reporting issues and judgements which they contain, having regard to matters communicated by the auditor.
- 9.17 The Committee shall review and challenge, where necessary, the Company's financial statements taking into account:
- 9.17.1 the consistency of, and any changes to, accounting policies;
  - 9.17.2 decisions requiring a major element of judgement;

- 9.17.3 the extent to which the financial statements are affected by any unusual transactions;
  - 9.17.4 the methods used to account for significant or unusual transactions where different approaches are possible;
  - 9.17.5 whether the Company has followed appropriate accounting standards and made appropriate estimates and judgements, taking into account the views of the external auditor;
  - 9.17.6 the clarity and completeness of disclosures in the Company's financial reports and the context in which statements are made;
  - 9.17.7 significant adjustments resulting from the audit;
  - 9.17.8 the going concern assumption;
  - 9.17.9 all material information presented with the financial statements, such as the strategic report and the corporate governance statement (insofar as it relates to the audit and risk management); and
  - 9.17.10 the Company's statement on internal control systems, prior to endorsement by the Board, and the policies and process for identifying and assessing business risks and the management of those risks by the Company.
- 9.18 Where the Committee is not satisfied with any aspect of the proposed financial reporting by the Company, it shall report its views to the Board.

#### Reporting Responsibilities

- 9.19 Where requested by the Board, the Committee shall review the content of the Annual Report and advise the Board on whether, taken as a whole, it is fair, balanced and understandable and provides shareholders with the necessary information to assess the Company's position, performance, business model and strategy.
- 9.20 The Committee Chairman shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 9.21 The Committee or its Chairman shall discuss formally with the Board, at least once a year, the relationship with the external auditors, and identify any matters in respect of which it considers that action or improvement is needed and make recommendations as to the steps to be taken.
- 9.22 In the light of its other duties, the Committee shall make whatever recommendations to the Board it deems appropriate and shall compile a report to shareholders on its activities to be included in the Company's Annual Report.
- 9.23 The Committee's report to the shareholders in the Annual Report shall cover:
  - 9.23.1 the Committee's remit and role;
  - 9.23.2 the significant issues that it considered in relation to the financial statements, and how these issues were addressed;
  - 9.23.3 an assessment of the effectiveness of the external auditor;
  - 9.23.4 the approach taken to the appointment or reappointment of the external auditor, including the steps taken in deciding whether or not to recommend that the audit be put out to tender, the length of tenure of the current audit firm and when a tender was last conducted; and
  - 9.23.5 if the auditor provides non-audit services, an explanation of how auditor objectivity and independence is safeguarded.

## **10. Other Matters**

- 10.1 The Committee shall give due consideration to the requirements of the Companies Act 2006, the Financial Conduct Authority's Listing Rules, the Prospectus Rules and the Disclosure Guidance and Transparency Rules and the provisions of the UK Corporate Governance Code and the Association of Investment Companies' Code of Corporate Governance as such apply to the Company from time to time.
- 10.2 The Committee shall be responsible for supervising the co-ordination of the activities of the external auditors.
- 10.3 The Committee will ensure that published financial information is reliable.
- 10.4 The Committee will carry out any investigation relevant to its terms of reference.
- 10.5 The Committee should, on a regular basis, evaluate its own performance, constitution and terms of reference and make any recommendations for change to the Board to ensure the maximum effectiveness of the Committee.

## **11. Authority**

- 11.1 The Audit Committee is authorised:
  - 11.1.1 to seek any information it requires from the Manager, Secretary and Administrator in order to perform its duties;
  - 11.1.2 to obtain, at the Company's expense, outside legal or other independent professional advice on any matters within its terms of reference;
  - 11.1.3 to request that representatives of the Manager, Secretary and Administrator be available to answer questions at meetings of the Committee; and
  - 11.1.4 to publish in the Annual Report, details of any issues that cannot be resolved between the Committee and the Board.

Approved on 25 March 2022